

# Tool 3

## AUDIT REVIEW CHECKLIST

### Compliance Audit

Overall considerations for managing and achieving quality audits	
1.	Has the SAI appropriately authorised and assigned the leadership responsibilities to the competent individual as the engagement supervisor who will lead the audit on behalf of the SAI?
2.	Was the audit engagement supervisor sufficiently and appropriately involved throughout the audit?
3.	Were there adequate discussions among the team members throughout the audit?
4.	Where applicable, did the audit engagement supervisor determine whether consultation is necessary? If so, did the engagement supervisor determine whether the nature, scope and conclusion are agreed with the party consulted and whether the conclusions agreed are implemented?
Compliance Audit Planning	
1.	Did the audit team assess the risks associated with different audit questions and methodologies (for example, time, and data quality) and take appropriate mitigating steps (for example, adding reviewers, and obtaining corroborating information) to ensure that efforts will produce findings, conclusions or recommendations that are accurate, complete and add value? (Remember that all design decisions are risk-based decisions).
2.	Did the audit team apply professional judgment to ensure sound decision-making based on relevant factors?
3.	Did the audit team understand the finance, accounting and other relevant functions of the entity and subject matter of the audit?
4.	Did the audit team determine the objective and scope of the audit?
5.	Did the audit team obtain relevant information regarding laws and regulations that might have a significant impact on the audit objectives?
6.	Did the audit team develop sufficient understanding of the audit area, constraints and challenges in it, availability of data during the audit, materiality, and criteria to be considered for assessing compliance?
7.	Did the audit team prepare the audit planning/design matrices on the audit questions based on the risks identified?
8.	Was resource availability and audit team competence considered when determining the who, when and how audit would be conducted?
9.	Is there evidence of a sign-off on the audit plan?
Gathering and Evaluating Audit Evidence	
1.	Were the audit team members aware of the audit methodologies and quality standards required to be applied in the audit execution stage?
2.	Did the team use appropriate audit techniques and audit procedures as per the audit plan to gather evidence on each audit question to address the audit objective?
3.	Where technical expertise was required, for example, in the application of statistical sampling methods, did the SAI contract or deploy appropriate competent resources?
4.	Were the contracted personnel made aware of the public sector environment that they were to work in and the quality standards expected of them?
5.	Was it ensured that all the audit team members followed the applicable quality standards while gathering and evaluating audit evidence? Where these standards were not followed, were the reasons documented and approved?
6.	Were there adequate policies and procedures in place (like supervision and review of the procedures followed or work done) for all the work carried out?

7.	During the execution stage, did the audit team assess the risks associated with different audit questions and methodologies, for example, time, the data quality and take appropriate mitigating steps like adding reviewers, and obtaining corroborating information to ensure that efforts will produce findings, conclusions or recommendations that are accurate, complete and add value? Remember that all design decisions are risk-based decisions.
8.	During the execution stage, did the audit team apply professional judgment to ensure sound decision making based on relevant factors?
9.	Were the tests of transactions related to audit objectives, adequately explained the nature and extent of audit work and provide an overall conclusion as to the results of audit work?
10.	Were there adequate working papers with respect to the evaluation of internal control systems, audit of routine procedures, tests of controls, analytical review, substantive tests, and audit of computer-based applications?
11.	Is there a procedure within the SAI to deal with complaints relating to the quality of audit and audit approach to gathering evidence?
12.	If work is contracted out, was a confirmation sought about the contracted firms having an effective system of quality management in place?
<b>Reporting and Follow-up</b>	
1.	Were appropriate quality management policies and procedures in place (such as supervision and review responsibilities and engagement quality reviews) for all reporting-related work?
2.	Was the form and content of reports in accordance with established procedures (e.g. title, signature and date, objectives and scope, addressee, legal basis, timeliness)?
3.	Where an engagement quality review is carried out, were matters raised resolved satisfactorily before the SAI issues a report?
4.	Were the reviewers of the report different from the audit team members?
5.	Was a quality management checklist followed in the review process?
6.	Was the evidence mapped to the sources with regard to each of the findings?
7.	Where findings are refuted by the entity, were additional meetings held to resolve the issues?
8.	Were the finding and conclusions in the report supported and well documented to ensure completeness, accuracy and validity of working papers?
9.	Are there adequate procedures in place for authorising reports to be issued?
10.	Was the report issued on time to ensure the value and credibility of the SAI?
11.	Were appropriate quality management procedures applied to ensure the report is fair and balanced?
12.	Are there transparent procedures for dealing with information requests that are consistent with legislation in the SAI jurisdiction?
13.	Were there appropriate procedures in place for verifying findings to ensure those parties directly affected by the SAI's work have an opportunity to provide comments prior to the report being finalised?
14.	Are there transparent procedures for dealing with information requests that are consistent with legislation in the SAI jurisdiction?
15.	Where significant compliance deviations are reported, were appropriate recommendations provided for significant improvement?
16.	Were the ongoing corrective actions been highlighted by the auditors?
17.	Was the auditor objective and practical in formulating recommendations?
18.	Were the audit findings discussed with the entity before issuing the report?
19.	Where the recommendations clear, reasoned, well-founded and flow logically from the findings?
20.	Was there a robust follow up mechanism for determining the extent of implementation of recommendations and corrective action taken?